



## GRAIN &amp; LIVESTOCK REPORT

January 28, 2005

MDA #117

VOLUME 30

No. 04

PUB. Weekly

Market Analysis - January 26, 2005

Michael Haigh-Assistant Professor  
University of MD Cooperative Extension

Last week was another poor week for corn (I feel like I have been writing the same thing for about a year now), but prices rose up on Thursday and Friday to finish the week basically flat. The huge U.S. crop will continue to sit at the front of trader's minds until bad weather starts to affect planting. While South American weather is not bad, it is, at this point, suggesting that we might not see a huge crop from the Southern cone. The bad news is that the rust issue will probably mean more acres coming over to corn and hence lower prices. In the short run, corn remains range bound with the only support coming from speculative short covering (The CFTC's commitment of trader's report had the non-commercials (basically funds) much shorter than expected). Indeed by Tuesday the funds started to buy to cover but additional support came from the fact that the Argentine crop was not looking great. The bad news is that the crops that are available there are in good to excellent condition. Soybean trade last week was essentially uneventful but beans finished about 2 cents down. This is despite that South American crops are still looking dry – things will be uncertain there until we get to the end of March. Longs beware – as soon as huge crop report comes out from the Southern cone prices might plummet! Monday and Tuesday of this week were excellent with funds supporting the market and firmer bids being offered at the U.S. Gulf (a tugboat sank off of New Orleans slowing traffic and hence restricting supplies). Yes, this is not exactly a long lasting fundamental but gave prices a bit of a boost and maybe one event will get the bulls motivated. However, as expected, the event at the gulf couldn't last and basis bids picked up again on Wednesday. On the bull side the funds continue to buy back some of their short corn and beans, but they are not liquidating very much – they seem to like being short. Wheat was mixed last week with the wheat exchanges finishing at different levels and it is consequently difficult to generalize on the overall market. World supplies seem to continue to direct trade but this week most of the exchanges basically just drifted along. Some pressure came from reports of weaker basis bids but traders are still looking to the weather markets (as usual). The bulls did get excited by a 165,000 metric ton sale of U.S. hard winter wheat to Iraq but the markets hope of hitting 300,000 left them a bit disappointed.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW (Dec05)	CASH (Jan05)	NEW (Nov05)	CASH (Mar05)	NEW (Jul05)
Western MD	+11	n/a	-89	n/a	+3	n/a
Central MD	+19	+5	-51	-32	+32	-11
Southern MD	+10	-10	-41	-32	-28	-28
Upper E. Sh	+23	+3	-28	-22	n/a	-9
Lower E. Sh	+28	+12	-18	-13	-18	-23

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

THE CROP WEATHER WILL RESUME IN APRIL 2005

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	1/18/5	1/25	1/18/5	1/25	1/18/5	1/25	1/18/5	1/25
Western Md	2.06	2.10	4.79	4.53	2.98	2.98	1.83	1.83
Central MD	2.09	2.18	4.79	4.91	3.27	3.27	2.55	2.55
Southern MD	2.06	2.09	4.89	5.01	2.67	2.67	----	----
Upper E. Shore	2.19	2.22	4.97	5.14	----	----	----	----
Lower E. Shore	2.24	2.27	5.13	5.25	2.77	2.77	1.85	1.85
Soybean Meal Lower Eastern Shore Dealer's Average Cash quotes (\$/ton)								
Date	1/18/5	1/25	Date	1/18/5	1/25			
48% Soybean Meal	189.00	198.00	44% Soybean Meal	177.00	187.00			
FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	1/18/5	1/25	1/18/5	1/25	1/18/5	1/25	1/18/5	1/25
Western Md	----	----	----	----	----	----	----	----
Central MD	2.32	2.35	5.01	5.06	2.99	2.99	----	----
Southern MD	2.17	2.20	5.01	5.06	2.82	2.82	1.65	1.65
Upper E Shore	2.30	2.33	5.11	5.16	2.86	2.86	1.65	1.65
Lower E Shore	2.39	2.42	5.20	5.25	2.87	2.87	1.70	1.70
GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jan 25, 2005								
Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>		
05Mar	199.00	05Mar	526.00	05Mar	297.00	05Mar	157.90	
05May	206.60	05May	524.00	05May	304.40	05May	157.10	
05Jul	213.60	05Jul	528.00	05Jul	311.40	05Jul	159.70	
05Sep	220.60	05Aug	530.00	05Sep	317.00	05Aug	161.00	
05Dec	230.20	05Sep	531.40	05Dec	324.60	05Sep	162.40	
06Mar	237.60	05Nov	540.60	06Mar	330.40	05Oct	162.60	

<sup>1</sup> \$/ton

<b>HAY AND STRAW</b>							
<b>New Holland, PA - \$/ton - Jan 24, 2005 - 33 Loads</b>							
Alfalfa ---	Mixed Hay 45.00-185.00	Timothy 85.00-140.00	Orchardgrass 55.00-160.00	Straw 30.00-220.00			
<b>Westminster, MD - \$/bale - Jan 25, 2005 - 108 Lots</b>							
Alfalfa 1.00-4.60	Alfalfa Mix 4.10-4.20	Timothy 1.80-4.10	Timothy Mix 1.90-2.50	Grass Mix 1.80-4.50	Straw 3.20-4.50	Mulch 1.00-1.40	
<b>Southern, MD - Regional Farmers' Market - \$/bale -</b>							
<b>Product</b>	<b>Lo/Hi</b>	<b>Avg Price</b>		<b>Product</b>	<b>Lo/Hi</b>	<b>Avg Price</b>	
Next Sale 2/05/05							
<b>POULTRY (Grade A) - Week Ending - Jan 29, 2005</b>							
		<b>Current Week</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>		
NY Wtd Avg. (Fryers)		71.58	71.21	64.18	72.26		
12 City Composite		71.64	72.05	68.26	69.79		
<b>LAMBS - Westminster, MD - \$/cwt - Jan 25, 2005</b>							
Lambs	85.00-130.00		Sheep	46.00-69.00			
<b>TERMINAL MARKETS HOGS - Jan 25, 2005</b>			<b>DIRECT MARKET HOGS - Westminster, MD - Jan 25, 2004</b>				
<b>Base Price Range (\$/cwt) a.m.</b>	<b>Carcass Basis Base 185 lb Hog</b>	<b>Sows (1-3) 300-449 lbs</b>	<b>Butcher Hogs</b>	215- 260 lbs	49.75-58.50		
Iowa, Minn	63.25-76.25	38.00-53.44					
Eastern Cornbelt	62.00-75.00	44.71-54.21	<b>Millsboro, DE Market Hogs - (\$/cwt) -</b> Next Sale 2/15/05				
<b>FEEDER PIGS - (\$/cwt) -</b>							
<b>Gumboro, DE -</b>			<b>New Holland, PA - Jan 27, 2005</b>				
<b>Head:</b>	<b>Trend:</b>		<b>Head: 6</b>	<b>Trend:</b>			
	Next Sale 2/15/05			All went to slaughter			
<b>CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 25, 2005</b>			<b>HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 25, 2005</b>				
Jan05	91.50	Apr05	87.53	Feb05	75.08	Jun05	78.48
Feb05	88.78	Jun05	82.08	Apr05	76.65	Jul05	74.35
Mar05	91.50	Aug05	80.13	May05	76.48	Aug05	70.55
<b>STOCKER-FEEDER CATTLE - (\$/cwt)</b>							
<b>Winchester, VA - Jan 24, 2005</b>			<b>Westminster, MD - Jan 25, 2005</b>				
<b>Steers</b>	NO SALE		<b>Steers (M&amp;L)</b>	800- 900 lbs	75.00- 76.00		
				1000-1100 lbs	61.00- 72.00		
<b>Heifers</b>			<b>Heifers (M&amp;L)</b>	200- 300 lbs	97.00-106.00		
				400- 500 lbs	75.00- 92.00		
			<b>Hols Bull Calves</b>	90- 115 lbs	117.50-165.00		
			<b>Returned to farm</b>	(Mostly)	150.00-165.00		
<b>Lancaster, New Holland &amp; Vintage - Week Ending - Jan 29, 2005</b>							
Bull, Holstein	90-125 lbs	150.00-200.00	Plainer	90-125 lbs	145.00-180.00		
Heifers, Hols	90-125 lbs	535.00-620.00	Plainer	90-125 lbs	525.00-590.00		
<b>SLAUGHTER CATTLE (\$/cwt)</b>							
<b>Westminster, MD - Jan 25, 2005</b>							
<b>Fed Steers</b>			<b>Fed Heifers</b>				
Ch	85.00-90.00		Ch	86.00- 90.50			
Hols	76.00-79.00		L-Ch	83.75- 86.00			
Select	71.50-76.00		<b>Calves</b>				
<b>Cows</b>			Culls	45.00-105.00			
Breakers (most good cows)	50.00-56.25		Jerseys	10.00- 40.00			
Boners	42.50-49.00						
Thin & Slow	38.50-Down						
<b>Lancaster, New Holland &amp; Vintage - Week Ending - Jan 29, 2005</b>							
Steers, Choice 2-3	1125-1485 lbs	85.00-88.50	Steady to \$2 lower				
Heifers, Choice	1155-1365 lbs	83.50-87.25	None				
Cows, Breakers 75-80 pct lean		53.00-59.50	Steady to \$1.25 higher				
Bulls, YG 1	1115-2110 lbs	61.50-70.00	Steady				

For more information about this report, call 410-841-5740 or write:

MARYLAND DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL STATISTICS SERVICE  
 50 Harry S Truman Parkway  
 Annapolis, MD 21401

Robert L. Ehrlich, Jr. . . . . Governor  
 Michael S. Steele . . . . . Lt. Governor  
 Lewis R. Riley . . . . . Secretary of Agriculture  
 John R. Brooks, DVM . . . . . Deputy Secretary